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Turks and Caicos Islands

Working paper prepared by the Secretariat*

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* The information in the present paper will be updated and supplemented by the report of the visit of the Special Committee to Turks and Caicos Islands, which is scheduled from 2 to 7 April 2006.



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I. General

1. The Territory of the Turks and Caicos Islands¹ comprises 40 islands and cays, which lie 145 kilometres north of Haiti and the Dominican Republic and 925 kilometres south-east of Miami, United States of America. Of these islands, only six are permanently inhabited: Grand Turk, where the capital, Cockburn Town, is located; Salt Cay; South Caicos; Middle Caicos; North Caicos; and Providenciales. In 2004, the total population of the Territory was estimated at 26,000, including some 8,000 to 10,000 immigrants from Haiti and the Dominican Republic, attracted by job opportunities in tourism and construction. Approximately 11,000 are "belongers", citizens of the Turks and Caicos Islands who have the right to vote in general elections. Around 19,000 people live on Providenciales, which is the business and tourism centre of the Territory. The administrative capital, Grand Turk, has a population of about 4,000. Most of the population are of African descent, the rest being of mixed or European origin. English is the main language, with some Creole spoken by Haitian immigrants. The main religion is Christianity.

2. The Turks and Caicos Islands were discovered by the Spanish in 1512. In 1678, Bermudans established a salt industry. The islands were settled by royalist sympathizers from the United States after the War of Independence; they established cotton plantations, sustained with slave labour. Between 1833 and 1843, slavery was abolished and the plantation owners left the islands, leaving their former slaves in possession. From 1874 to 1959, the Turks and Caicos Islands were governed by the United Kingdom of Great Britain and Northern Ireland as a dependency of Jamaica. The islands became a separate colony of the United Kingdom in 1962, under the control of the Bahamas. When the Bahamas achieved independence in 1973, the Turks and Caicos were placed under a British Governor stationed on Grand Turk.

II. Constitutional, legal and political issues

3. The Turks and Caicos Islands is a Non-Self-Governing Territory of the United Kingdom with a ministerial system of government. Under the provisions of the 1976 Constitution, amended in 1988, executive power is vested in the Governor, appointed by the Queen. The Constitution provides for an Executive Council and a Legislative Council. The Governor is responsible for foreign affairs, internal security, defence, the appointment of public officers, offshore finance and certain other matters, but is otherwise required to act on the advice of the Executive Council. The Executive Council consists of the Governor, six elected members of the Legislative Council appointed by the Governor (the Chief Minister and his five Ministers) and two ex officio members (the Chief Secretary and the Attorney General). The Legislative Council consists of 19 members: the Speaker, 13 representatives elected by popular vote, 3 appointed by the Governor (one of these on the advice of the Chief Minister and one on the advice of the Leader of the Opposition) and the 2 ex officio members of the Executive Council. The Speaker is appointed on the advice of the governing party.

4. The current Governor is Richard Tauwhare, who was sworn in to office on 11 July 2005.

5. The legal system, based on English Common Law, includes a Supreme Court and a Court of Appeal, and has provision for appeal to the Privy Council in London.

6. There are two main political parties in the Territory: the People's Democratic Movement (PDM) and the Progressive National Party (PNP), formed in 1975 and 1980, respectively. The most recent general election was held on 24 April 2003, with a turnout of 86 per cent. The then governing party, PDM, won 50.2 per cent of the vote, the opposition PNP 49.8 per cent. In August 2003, by-elections were held in two constituencies following a successful petition to the Supreme Court by PNP alleging maladministration in the registration of electors in the general election. The new elections were supervised by independent observers from the United Kingdom. As a result of the by-election, PNP gained an 8 to 5 majority of the elected members of the Legislative Council. Michael Misick, the leader of the party since 2002, became Chief Minister on 13 August 2003.

7. As reported previously (A/AC.109/2004/16, para. 9), the British Overseas Territories Act 2002 provided for the right to British citizenship of the citizens of all United Kingdom Territories, including the Turks and Caicos Islands.

8. The Turks and Caicos Islands are currently in the midst of a constitutional reform process, which began in April 2002 when a local constitutional review body was appointed by the Governor. In September 2002, the body issued its constitutional modernization review report. Many of the public concerns reflected in the report's recommendations were related to limiting the powers of the Governor. In particular, it recommended that the leaders of the ruling party and the opposition should be consulted on the candidature of the Governor; that some of the powers of the Governor should be transferred to Ministers; that a permanent Deputy Governor position should be established; and that the scope of issues where the Governor had to consult the Executive Council should be expanded. The report also made recommendations with respect to the executive, legislative and judicial organs of the Territory, including the addition of one ministerial post, and more frequent or regular meetings of those bodies, in particular the Court of Appeal. The recommendations concerning the public service were mostly designed to ensure stronger influence and representation of territorial interests vis-à-vis the Governor. In addition, the report outlined recommendations on the fundamental rights and freedoms of the individual to bring them into conformity with European conventions on human rights. In particular, the establishment of a human rights commission was recommended.

9. As regards the future constitutional status of the Territory, the report indicated that during the meetings a number of participants had advocated full internal self-government. The report noted, however, that once the members of the review body had explained that a decision to advance full internal self-government would have to be accompanied by the setting of a timetable for independence, enthusiasm for the proposal dissipated. According to the review body, no one expressed any support for independence.

10. During the discussion of the report by the Legislative Council in October 2003, the Chief Minister suggested a bipartisan approach, with a view to going to the constitutional talks with the British Government with a common position. In July 2004, a delegation of senior officials from the British Government held constitutional talks with the Chief Minister and the Cabinet in the Turks and Caicos Islands. The delegation held separate talks with the opposition PDM, following the latter's decision not to take part in joint talks with the governing PNP. The Chief Minister noted afterwards that the Territorial and British delegations had been

unable to agree on some of the more difficult points. He added that his Government was aware of the path it must plot on the way to full internal self-government and the ultimate goal of full sovereignty.² The Chief Minister had a further meeting in London in September 2004 with the British Foreign Office Minister responsible for the Overseas Territories.

11. In 2004, there were numerous reports in the local and Canadian press about the proposals tabled in the Parliament of Canada to establish a political and economic association between Canada and the Turks and Caicos Islands. At the beginning of 2004, the member of the Canadian Parliament who had initiated the proposal met with the Governor of the Territory and the Chief Minister to discuss the relationship between the two entities. According to Canadian sources, in view of Canada's business and trade interests in the Turks and Caicos Islands, coupled with the general preference of the population of the Territory to remain within the Commonwealth, Canada had become the preferred country of association.³ There were no significant developments on the issue in 2005. The Government of Turks and Caicos has indicated that it intends to continue exploring with the newly elected Canadian Government the option of free association, in accordance with General Assembly resolution 1541 (XV).

12. In May 2005, a delegation from the Turks and Caicos Islands, headed by Chief Minister Michael Misick, attended the Caribbean regional seminar on the implementation of the second Decade for the Eradication of Colonialism, held in Saint Vincent and the Grenadines. In his address (A/60/23, chap. II, annex), he stated that his Government was not content with the relationship and constitutional arrangement with the United Kingdom. His Government had come into office with a mandate for economic as well as political change. The Constitutional Commission had submitted its report almost two years earlier, and while they had had two further meetings with United Kingdom officials on the matter, the talks seemed stalled. Furthermore, in the talks that had taken place, it did not appear to his Government that there was a sincere willingness or effort to negotiate in good faith a new constitutional arrangement that reflected the full aspirations of the Turks and Caicos people, as it had been reflected in their vote in the 2002 election and the Constitutional Commission recommendations. The Chief Minister therefore called upon the Special Committee to use its influence to encourage the Government of the United Kingdom to meet its responsibilities to its territories, which aspired to be decolonized and to assist them in doing so, and not to tell them, as they had done in the past, to accept the status quo or to jump to independence, without offering a parachute. The Chief Minister believed that was a direct violation of the human rights and dignity of the people of the Turks and Caicos Islands. A reasonable period of full internal self-governance was the parachute they were seeking, a period to put in place the necessary institutions to ensure the protection of human rights, democratic principles, independence of the judiciary and good governance, among others, in a new State.

13. Following the seminar held in Saint Vincent and the Grenadines in July 2005, the Chief Minister of the Turks and Caicos Islands officially invited the United Nations Special Committee on decolonization to visit the territory to view the political and economic situation on the ground and to hold private and public meetings on the questions of decolonization and self-determination. After consultation with the administering Power and exchanges of letters, it was agreed that such a visit would be made from 2 to 7 April 2006.

14. The request that the constitutional talks be resumed as soon as possible was reiterated by the Chief Minister in July 2005, on the occasion of the swearing-in ceremony of the new Governor.⁴ The talks resumed two and a half months later, when a delegation headed by the Chief Minister met in London with the Foreign Office Minister for the Overseas Territories, Lord Triesman, on 3 and 4 October 2005. According to the administering Power, the talks were based on the 2002 report, built on progress achieved in two earlier rounds of discussions in 2004, and reached agreement on all outstanding issues. Following the meeting the Foreign Office Minister said that "These were direct and productive talks, in which the Turks and Caicos Government had made its case strongly for a modernized constitution". He was very satisfied with the result, which he saw as an excellent outcome, representing a genuine modernization of the Turks and Caicos Islands' constitution, while protecting the United Kingdom Government's essential interests. The consultation process, and subsequent debate in the Legislative Council, were important so that the extent of support for constitutional modernization could be robustly demonstrated.

15. On 5 October 2005, the Chief Minister issued a press release noting that the talks had successfully concluded with an historic agreement for an advanced constitution for Turks and Caicos. He added that tripartite talks between the Turks and Caicos Government, the opposition and United Kingdom Government officials had been ongoing for a number of years and that it was "regrettable that at the last minute the opposition People's Democratic Movement decided not to attend the final talks in London and as such abandon(ed) the quest for an advancement of (the) constitution". He went on to say that the negotiations had produced "a modern constitution for the people of Turks and Caicos that reflect(ed) the modern relationship between the two countries".⁵

16. The agreement reached in London envisaged the drafting of a new constitution by officials of the Foreign and Commonwealth Office that would be provided to the Turks and Caicos Government and the opposition for their comments. Afterwards the text would be circulated among the general public to acquaint them with its provisions. The consultative process would then proceed with a debate on the new text in the Legislative Council. It was anticipated that much of the process would take place in early 2006.

17. According to Government sources in the Islands, in March 2006, in keeping with the arrangements detailed above, the Turks and Caicos Government received a first draft of the new Constitution from the Foreign and Commonwealth Office and sent it back to London with comments from the Government and the Opposition. Once a final draft was received, public discussions will be held throughout the Islands in April and May to familiarize the people with its provisions, followed by a debate in the Legislative Council. It is hoped that some aspects of the new Constitution will be enacted towards the middle of 2006. The Government of Turks and Caicos sees constitutional modernization as a first step in a process towards full internal self-government that will culminate in independence.

18. According to the administering Power, throughout the negotiations the British Government made it clear that it would give careful consideration to any proposals put to them, within the framework of promoting the maximum degree of local self-government. However, as long as the Turks and Caicos Islands chose to maintain their link with the United Kingdom, the British Government maintained that it must

retain sufficient reserve powers to ensure that it could fulfil its international obligations and protect itself against contingent liabilities.

III. Economic conditions

A. General

19. Since the 1980s, the main sectors of the economy have been upmarket tourism and international financial services. Foreign investors, mainly from Canada, the United Kingdom and the United States, play a significant role in the Islands' economic life. The main areas of private investment are tourism, property development and real estate, international finance and fishing. The main focus of investment activity is the island of Providenciales. The Government levies no taxes on corporate or personal income, capital gains or inheritance.

20. The United States dollar is the official currency of the Turks and Caicos Islands. The average gross domestic product (GDP) is estimated to have risen from \$69 million in 1990 to about \$250 million in 2004. Although unemployment never fell below 12 per cent during that time and growth was unevenly distributed among the constituent islands, the economic well-being of the population improved considerably. In October 2005, the Caribbean Development Bank provided technical assistance to strengthen the Territory's system of national accounts, to enable it to produce more reliable estimates of GDP, required for effective economic and social planning.⁶

21. Until recently, only multinational banks operated in the Territory's domestic banking sector. However, on 19 April 2005, the Minister of Finance announced that the Government had successfully concluded arrangements for the creation of a national bank to be known as TCI Bank Limited, to be established on Providenciales with equity participation from the Government, the National Insurance Board and a consortium of banks from the Eastern Caribbean. At the official opening of the bank in December 2005, the Minister noted that some 50 per cent of the senior managers of the bank would be nationals, while 70 per cent of the shares would be reserved for local companies and individual investors.⁷

B. Budget

22. The budget is projected on a triennial basis, with annual revisions. The fiscal year begins in March. The estimated recurrent revenue for the 2004/05 period was \$117.6 million, while total recurrent expenditure was \$122.2 million. In 2004/05, the Government collected 36.3 per cent of its revenues from import duties; 16.6 per cent from stamp duty on property sales; 8.9 per cent from hotel and restaurant taxes; and 8.1 per cent from work permit fees. Its recurrent expenditures were projected at 31 per cent for health and national insurance; 21 per cent for development, tourism and district administration; 18 per cent for education, youth and sports; 9 per cent for communications, public works and utilities; 7 per cent for police; 5 per cent for social services; and 9 per cent for other activities.

23. The Budget address presented on 19 April 2005 by the Minister of Finance was entitled "Consolidated policy measures to finance our development agenda".⁸

The Minister noted that the Turks and Caicos Islands were on a firm financial footing with a buoyant economy. He said that the recurrent revenue for 2005/06 was estimated conservatively at \$127.5 million, a 1 per cent increase over the previous year. In addition, the recurrent surplus on the consolidated fund was estimated to be \$4.6 million at the end of the 2005/06 period. Development expenditure for 2005/06 was costed at \$80.4 million, of which \$22 million would be locally financed.

24. While the overall economy of the Territory has made great progress over the past 20 years, the Government has acknowledged the need to address considerable imbalances among the various islands and social groups. In October 2005, the Government officially launched preparations for a 10-year national development plan, to be implemented in three-year stages. The Chief Minister described the plan as being about the legacy and type of Turks and Caicos Islands that we will leave behind for our children and grandchildren. In the first nine-month phase, it is foreseen that workshops will be held to incorporate the views of the people of Turks and Caicos regarding development priorities. A steering committee and Island and sectoral subcommittees will then work together on development plans before they are presented to the Executive Council.⁹

25. In recent years, the Turks and Caicos Islands have also received funding from the European Union and multilateral agencies. In November 2004, the Government signed an agreement with the European Commission that gave the Territory access to grants of over \$12 million to cover transport development projects to be implemented between 2005 and 2008. In October 2004, the Government announced that it had secured permission from the United Kingdom to borrow up to \$28 million from Caribbean banks to undertake infrastructure projects.¹⁰

C. Financial services

26. Offshore financing, including company registration, trust business and insurance, is the second largest source of external revenue after tourism and the third largest employer in the Turks and Caicos Islands. It contributes approximately 10 per cent to GDP. More than 17,000 major international accounting and financial service companies operate out of the Islands.

27. According to the administering Power, constitutional responsibility for the Territory's offshore finance sector rests with the Governor, although the Turks and Caicos Islands Government assumed responsibility for the cost of the Superintendent of Banking in 2003. The regulatory structure set up through the Banking Ordinance of 1979 and the Companies and Insurance Ordinance of 1981 was updated and extended in 1990 and 1992. Among the attractions for offshore companies are the use of the United States dollar as the official currency, the absence of direct taxation, a growing financial infrastructure, fast and straightforward company registration procedures, extensive financial freedom and confidentiality.

28. The Territory has made considerable efforts to maintain the reputation of its financial services industry, which was among the 35 jurisdictions listed in 2000 by the Organization for Economic Cooperation and Development (OECD) as tax havens, but was removed in 2002 after committing to adhere to the OECD principles of transparency and effective exchange of information by the end of 2005.

29. Another taxation issue that had an impact on the Turks and Caicos Islands was the savings tax directive adopted in 2003 by the European Union, applicable to all Union member States and their territories. The directive requires that details of all interest paid in another country to a European Union resident be passed to the relevant European Union home-State taxation authority, or that a withholding tax be levied and passed on to the relevant European Union authority. In March 2004, the Turks and Caicos Government agreed to legislate the implementation of the directive and to levy a withholding tax. On 1 July 2005, the directive was brought into Turks and Caicos law with the enactment of the Retention Tax Ordinance.¹¹

D. Agriculture, fisheries, construction and manufacturing

30. Agricultural production is small and concentrated in North Caicos. The sector has begun to grow recently, with more produce available for sale on Providenciales and the establishment of a new farmers' cooperative. About 20 per cent of the working population is involved in agriculture and fishing. Efforts are being made to develop an agricultural policy to assist local farmers and promote substitution for some food items currently imported. Investment in high-value, specialty export products such as fin fish and shrimp farming, tropical fish breeding, hydroponic gardening and ornamental horticulture has great potential.

31. Traditional domestic fisheries exports, divided about equally between lobster and conch, recorded an all-time high of \$4.9 million in 2004. Lobster production, however, continued to be adversely affected by illegal fishing during the closed season and by poaching by foreign vessels. The main challenge to the fisheries sector stems from ineffective monitoring and control of illegal fishing in the absence of adequate patrols. The Ministry of Natural Resources continues to work on policies to address those concerns.

32. Apart from the production of handicrafts for the tourism trade, the only manufacturing activity is the semi-processing of imported rice for re-export to the European Union, benefiting from duty preferences under the Cotonou Agreement. While that activity was reduced in the late 1990s due to European Union restrictions, the Union later granted the Turks and Caicos Islands a licence to export 10,000 tons of processed rice into the European Union annually from January 2002.¹²

33. Several international construction companies are based in the Turks and Caicos Islands. Most major projects are subject to international competitive bidding. Sand and rock are quarried locally for use in construction projects, most significantly for hotels and commercial buildings.¹² The construction and real estate markets continue to grow, focusing on the construction of upmarket hotels, resorts and other beachfront properties. In February 2006, the Government also launched the Territory's first affordable housing programme, open to all local citizens and residents. The goal of the programme is to provide between 70 and 500 homes, depending on demand, and to offer affordable conditions for down payments and mortgages. The houses will be constructed to withstand hurricane force winds of up to 155 miles per hour.¹³

E. Tourism

34. The Turks and Caicos Islands tourism sector continued to record one of the fastest growth rates in the entire Caribbean. According to the Turks and Caicos Hotel and Tourism Association, tourism has grown by approximately 90 per cent over the past 10 years. Tourist Board figures show a steady rise in air passenger arrivals from 153,000 in 2002 to 158,000 in 2003 and 171,000 in 2004. The announcement of new flights to the Territory in 2006 and the opening of a cruise ship port in Grand Turk (see para. 38 below) are expected to boost visitor figures further.

35. In order to satisfy this greater demand, there has been an accompanying boom in beachfront development, with more than 20 resorts opening over the past decade. The construction of hotels and luxury properties in the Territory continued in 2005, especially along Grace Bay on Providenciales. Media reports cover the \$45 million renovation of the Grace Bay Club, the opening of the five-star Palms resort, the start of construction of the seven-story Regent Grand and pre-sales under way for the \$200 million Seven Stars Condo Hotel.¹⁴

F. Infrastructure

36. Transport and communication facilities are of a good standard, reflecting the Territory's relatively high income and the rapidly growing tourist industry. The road network covers about 130 kilometres, with paved roads on Grand Turk, Providenciales and the Caicos islands. There are airports capable of handling international flights on Providenciales, Grand Turk, North Caicos and South Caicos. In early 2004, new terminal facilities opened at Grand Turk International Airport, including car parks, access roads, extensions to the runway, resurfacing of the existing runway and upgraded landing lights. New terminal buildings are being planned for North and South Caicos. There are also paved airstrips on Middle Caicos and Salt Cay. From Providenciales, American Airlines, US Airways and Delta operate flights to the United States and British Airways operates flights to the United Kingdom. In season, there are charter flights from many major North American cities. Inter-island air services are provided by SkyKing, Turks and Caicos Airways and numerous local charters. Flights are also available to the Bahamas, Haiti, the Dominican Republic, Puerto Rico, Cuba and Jamaica. In January 2006, Excel Airways launched a direct service from London to Providenciales; and in February, Spirit Airlines inaugurated daily flights from Fort Lauderdale to Providenciales.¹⁵

37. Holland America Carnival, the world's largest cruise conglomerate, opened a cruise port in Grand Turk in February 2006. The dock, which can accommodate two cruise ships at one time and extends 1,680 feet out from the shoreline, is expected to contribute to an economic boom and overall revitalization of the capital of the Territory. The investment by Carnival includes \$1 million for loans to encourage small business creation and \$3 million to develop infrastructure and tourism products on Grand Turk. By the end of 2007, some 370,000 cruise passengers are expected to visit the island annually. Providenciales, South Caicos and Salt Cay also have ports, while new port facilities are currently being built in North Caicos.

38. Until recently, Cable and Wireless, a British telecommunications company, provided all domestic and international telephone services in the Territory. In July 2004, the Telecommunications Bill introduced gradual liberalization of the sector and also created a commission to regulate the industry. In January 2006, Cable and Wireless agreed to relinquish its remaining six years of monopoly and the Government announced it was ready to welcome new telecommunications providers.¹⁶ There are 12 cable television channels on Grand Turk and 32 on Providenciales, and 6 radio stations. There are no daily newspapers. *The Free Press*, the *Turks and Caicos News* and the *Turks and Caicos Sun* are published weekly. The *Times of the Islands*, a magazine aimed at business and tourism, is issued quarterly.

IV. Social conditions

A. Immigration and labour

39. The expansion in the tourism and offshore finance sectors has resulted in favourable economic growth, but activities in those areas are concentrated almost totally on the island of Providenciales. Thus, economic opportunities are not equally distributed among the islands. Unemployment varies between 14 and 20 per cent on the other islands, while Providenciales boasts almost full employment. Inter-island migration is common, particularly to Grand Turk where the capital is located. A number of social problems, such as overcrowding, housing shortages and an increase in the number of female-headed households have resulted from this skewed pattern of development.

40. In some cases, unemployment is the result of an imbalance between demand and supply for skills and the unwillingness of many "belongers" (local citizens) to take certain jobs, in particular unskilled manual work. The situation has led to a dependence on immigration and an influx of immigrant workers. Of an estimated population of 26,000, some 8,000 to 10,000 immigrants are from Haiti and the Dominican Republic. As previously reported (A/AC.109/2004/16, paras. 41-44), in March 2004, an Immigration Review Commission proposed major changes to immigration laws, including issues such as local citizenship, permanent and long-term residency, home ownership and investor permits, in the light of the impact of the substantial increase in the resident population on health, education and other social services. The Employment Ordinance 2004, passed in November 2004, improved employee rights and established the Labour Tribunal as a judicial forum for employment disputes.¹⁷

B. Education

41. Education in the Territory is free and compulsory for children between 5 and 16 years of age. There are 14 Government-run primary schools and four Government-run secondary schools. The pupil-teacher ratio averages 25:1. There are also a number of private schools. As concerns higher education, there is also a community college with branches on Grand Turk and Providenciales that provides two-year courses, mostly in vocational subjects. The adult literacy rate is 98 per cent.

42. For the 2004/05 fiscal year, 18 per cent of projected expenditure was earmarked for the Department of Education. In addition to funding for primary and secondary education in the Territory, the budget also allocated some \$14 million to cover the costs of tertiary education overseas. In August 2005, in a midterm report of his Government's accomplishments and projects, the Chief Minister noted that budget allocations showed that education was the Government's highest priority. He also pointed to the Government's commitment to the social welfare of its young people through the renovation of the Providenciales downtown ballpark, the building of an auditorium and a 400 metre track and field stadium to host the Caribbean's regional track and field games in 2007.

C. Health

43. The 2004/05 budget allocated over \$15 million to health care. Basic health care is available on the islands through a network of primary health-care clinics and one hospital, located on Grand Turk. The Government has sought to address infrastructural needs, especially on Providenciales, which has a high population growth rate. According to the World Health Organization, the illegal migrant population presents a major challenge for the Territory. Migrants often live under poor conditions, and there is a recorded increase in the incidence of communicable diseases, especially tuberculosis. The situation also places added strain on the Territory's health system.

44. In July 2005, work was commenced on the construction of a long-awaited clinic on South Caicos.¹⁸ A core priority for the Ministry of Health is now the development of two hospitals (a 20-bed facility on Grand Turk and a 40- to 50-bed trauma centre on Providenciales, with construction scheduled to begin by August 2006). The facilities are expected to help reduce the escalating and unsustainable cost of the treatment abroad programme. Meanwhile, the Minister of Health has commissioned a comprehensive study to define an overall vision for the Territory's health sector.

D. Crime

45. According to the statistics of the Royal Turks and Caicos Islands Police Force transmitted by the administering Power, a total of 1,840 crimes were committed in 2004, 9 per cent less than in 2003. Burglary and theft accounted for 49 per cent off all crimes. Other crimes reported included damage to property, assaults and woundings, motor vehicle-related crimes and sexual offences. Three quarters of all reported crime was on Providenciales. Approximately 31 per cent of all crimes were solved in 2004, down from 34 per cent in 2003.

46. Although the crime statistics noted above are low when put in a regional context, the killing of a police officer in January 2005 and other violent crimes later in the year led the Government to step up law enforcement. New policing plans were announced in September 2005 to combat drug trafficking, organized crime, illegal immigration and money-laundering and to improve police infrastructure. In January 2006 the Chief Minister announced that police salaries would be increased by 30 per cent and that additional recruitment would bring the Police Department to its full complement in 2006-2007.¹⁹

47. The Territory is party to an agreement, reached in 1990 with narcotics agencies of the United States and the Bahamas, that allows for combined interdiction operations. It is also covered by an agreement signed in 2000 between the United States and the United Kingdom to combat drug trafficking and improve air and sea surveillance in the region. Nonetheless, according to the Caribbean Financial Action Task Force, the Territory has been used as a trans-shipment point and several cocaine seizures have been made from Haitian carriers at Providenciales airport. Illegal drugs are most often brought into the Territory in boats circulating between Haiti and Turks and Caicos, but also from Jamaica, the Dominican Republic, the Bahamas and Colombia. The Police Department is working with other national agencies, including the Customs and Immigration Departments, to apprehend and prosecute offenders. In 2004, 82 individuals were charged with drug-related crimes. In August 2005, a new \$1.6 million police patrol vessel, fully funded by the Territorial Government, was put into operation.

V. Relations with international organizations and entities

48. Admitted as an associate member of the Caribbean Community (CARICOM) in 1991, the Territory of Turks and Caicos Islands has recently been considering upgrading its membership. However, although it fully supports the goals of CARICOM, for the time being the Government is reserving its position on issues relating to freedom of movement within the Community, the Caribbean Single Market and Economy, the Caribbean Court of Justice and other issues that have a direct bearing on external relations, defence and security, until such time as it can adequately assess the impact that such changes would have on the Territory.

49. In March 2006, the Turks and Caicos Islands was granted associate membership of the United Nations Economic Commission for Latin America and the Caribbean.²⁰ The Territory is also a member of the Caribbean Development Bank and Interpol.

50. Support from the United Nations Development Programme (UNDP) continues under the 2004-2008 country programme, which includes technical support in excess of \$780,000. The net contributor country classification places Turks and Caicos in a category that requires full government cost-sharing in UNDP programmes. However, the Territory also benefits from some UNDP regional programmes, such as the regional disaster response and management project and a programme for technical service development. In addition, UNDP continues to concentrate on small business development and employment creation in the Territory, particularly in the less developed islands. UNDP also provides technical support for capacity-building in the public sectors using United Nations Volunteers.

51. Due to the acquisition by the Turks and Caicos Islands of the status of middle-income country, direct bilateral aid from the British Department for International Development ended in March 2005. The last sponsored Department employee returned to the United Kingdom in July 2005, leaving the responsibility of hiring and employment in the civil service to the Turks and Caicos Government. According to the administering Power, however, the Islands continue to receive aid through British Government regional programmes in such areas as disaster preparedness and child welfare.

52. As part of its membership of the Association of Overseas Countries and Territories of the European Union, the Turks and Caicos Islands hosted the Association's first biennial small islands micro-economies conference in February 2005. The aim of the conference was to provide a forum for the Association's member countries to discuss and share experiences concerning issues affecting their development. The issues examined at the conference included health care, education, utilities, administration and justice, globalization and international trade rules, transport and disaster preparedness.²¹

VI. Future status of the Territory

A. Position of the territorial Government

53. The position of the territorial Government regarding the future status of the Turks and Caicos Islands is discussed in paragraphs 8 to 18 above.

B. Position of the administering Power

54. In a statement at the 2nd meeting of the Fourth Committee held on 5 October 2005 (see A/C.4/60/SR.2), the representative of the United Kingdom said the consultation process between his Government and its 10 overseas territories was continuing. The representative said that the seventh annual meeting of the Overseas Territories Consultative Council, which would be held in London in October 2005, would provide a forum for dialogue between democratically elected chief ministers and their equivalents from the Territories and United Kingdom Government Ministers on a range of issues, including the relationship between the United Kingdom and its overseas Territories, constitutional modernization, good governance, environmental matters and the United Kingdom's international obligations.

55. The representative said that the United Kingdom Government welcomed the progress that was being made in the constitutional review process and that there had been useful discussions between his Government and representatives of Gibraltar, Montserrat and the Turks and Caicos Islands. In Saint Helena, a consultative poll had rejected a revised draft constitution and that Territory was currently considering its next steps. Extensive discussions had been held with the Independence Commission set up in Bermuda to look into the implications of any move towards independence; at the Commission's request, his Government had drafted a paper setting out its position on a number of issues, which was currently being studied by the Government of Bermuda.

56. The representative pointed out that his Government continued to support capacity-building projects and to promote sustainable development and good governance in its overseas Territories. The Overseas Territories Environment Programme continued to support the implementation of the environment charters for the overseas Territories. His Government likewise continued to support its overseas Territories in their efforts to strengthen relations with the European Commission and to improve access to the trade and economic and developmental aid provisions of the European Union — Overseas Countries and Territories (EU — OCT) Overseas Association Decision. It had also continued its informal cooperation with the

Special Committee; in that context, a visit had been made to Bermuda with a view to consider progress towards that Territory's de-listing.

57. In a separate communication regarding the Overseas Territories Consultative Council held in London in October 2005, the United Kingdom Government noted that there had been useful discussion on the relationship between the United Kingdom and the Overseas Territories and progress on constitutional modernization, which continued to take account of the Territories' particular circumstances. Other areas covered were external relations, good governance, law enforcement, financial services, transport, sustainable development and relations with the European Union. The Department of International Development organized round tables in association with the Overseas Territories Consultative Council on human rights and disaster management.

C. Consideration by the General Assembly

58. On 8 December 2005, the General Assembly adopted resolution 60/117 B, without a vote, section X of which concerns the Turks and Caicos Islands.

Notes

¹ The information contained in the present paper has been derived from published sources and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations.

² www.turksandcaicosislands.gov.tc, 22 July 2004.

³ Economist Intelligence Unit, EIU ViewsWire, "Turks and Caicos Islands politics: Pact with Canada possible", 30 March 2004; Caribbean Net News, 25 April and 5 May 2004, at www.caribbeannetnews.com; www.canadiancontent.net; "Canada and the Turks and Caicos Islands: Canada's 11th province?", 15 December 2004, at www.petergoldring.com.

⁴ "New Turks and Caicos Governor sworn in", www.caribbeannetnews.com, 14 July 2005.

⁵ See www.caribbeannetnews.com, 5 October 2005.

⁶ See www.caribbeannetnews.com, 20 October 2005.

⁷ See www.turksandcaicosislands.gov.tc, 5 December 2005.

⁸ See www.turksandcaicosislands.gov.tc, 19 April 2005.

⁹ See www.turksandcaicosislands.gov.tc, 28 October 2005.

¹⁰ See www.turksandcaicosislands.gov.tc, 21 October 2005.

¹¹ See www.timespub.tc.

¹² Economist Intelligence Unit, Country Profile 2004: Turks and Caicos Islands.

¹³ See www.turksandcaicosislands.gov.tc.

¹⁴ See www.caribbeannetnews.com, 28 January 2005, "Turks and Caicos, undiscovered no more", *The New York Times*, 30 January 2005, at www.nytimes.com.

¹⁵ See www.totalbusiness.org.uk and <http://businesswire.com>.

¹⁶ See www.turksandcaicosislands.gov.tc.

¹⁷ See the Employment Ordinance 2004 at <http://tcimall.tc/commerce/2004employmentbill>.

¹⁸ <http://www.turksandcaicosislands.gov.tc/otherpages/groundbrokenfornewsouthcaicosclinic.html>.

¹⁹ www.caribbeannetnews.com, 27 September 2005 and 19 January 2006.

²⁰ www.eclac.org, press release, 24 March 2006.

²¹ <http://www.turksandcaicosislands.gov.tc/otherpages/simepressrelease.html>.